



LOUISIANA DEPARTMENT OF INSURANCE  
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**DIRECTIVE 195-AMENDED**

**August 24, 2006**

**NOTICE TO ALL PROPERTY AND CASUALTY INSURERS**

**RE: EXTENSION OF THE TIME PERIOD FOR INSURED TO  
EFFECTUATE REPAIRS TO HURRICANE DAMAGED PROPERTY  
AND RECEIVE FULL RECOVERY FOR REPLACEMENT COSTS**

Directive 195 was issued on February 27, 2006 to clarify the issues relative to the payment that an insured may be entitled to receive from an insurer for the replacement costs for damages covered by the policy for the property damaged by Hurricane Katrina and/or Hurricane Rita. Directive 195, as originally adopted, provides an additional 6 months, or a period of at least one (1) full year from the date of the claim for damages caused by Hurricane Katrina and/or Rita, within which to recover the replacement costs for damages covered by the policy to which the insured may be entitled. The Commissioner reserved the right to further extend the protection of the original Directive 195 depending on the availability of building contractors to have appropriate access to materials and labor, as well as adequate time to effectuate the necessary repairs to the insureds' property.


The Commissioner has determined that building contractors continue to be overwhelmed with work due to Hurricane Katrina and Hurricane Rita which has severely impacted the ability of insureds to contract with building contractors to effectuate the necessary repairs to insured property. It is obvious that building contractors will not be able to effectuate the necessary repairs to all insured property despite the original extension provided in Directive 195. Thus, the Commissioner has concluded that an additional 6 month extension is necessary.

Accordingly, I hereby issue Directive 195-Amended:

1. To the extent that it may be applicable, all insureds are to have a **period of at least 18 months from the date of the claim for damages caused by Hurricane Katrina and/or Rita**, within which to recover the replacement costs for damages covered by the policy to which the insured may be entitled.

2. To the extent that it may be applicable, insurers are entitled to continue to refrain from making the payment to their insured for the replacement costs for damages covered by the policy until the insured has adequately verified to the insurer that the necessary repairs have been effectuated to the insured property that was the subject of the claim for damages caused by Hurricane Katrina and/or Rita.
3. Any such insurers are entitled to request from their insured a status report as to the repairs to be made to the insured property. However, such status reports may not be requested more than once a month.
4. All insurers are to recognize the severe impact that Hurricane Katrina and Hurricane Rita have had upon the ability of an insured to contract with a building contractor to effectuate the necessary repairs to the insured property and that building contractors may be required to stage repairs to the insured property in such a manner that the completion of all repair work may take three to four times the typical amount of time as would have been the case prior to Hurricane Katrina and Hurricane Rita.
5. All insurers are prohibited from taking any action contrary to Emergency Rule 23 relative to the cancellation or non-renewal of an insured that is entitled to the protection of Emergency Rule 23.
6. The Commissioner reserves the right to further extend the protection of Directive 195 depending upon the ability of building contractors to have appropriate access to materials and labor, as well as adequate time to effectuate the necessary repairs to the insured property.
7. All insurers are hereby directed to immediately bring your practice into compliance with the unequivocal purpose and intent of Directive 195-Amended and the guidance, interpretation and application set forth in the original Directive 195. Please be governed accordingly.

Baton Rouge, Louisiana this 24 day of August, 2006.



JAMES J. DONELON  
COMMISSIONER OF INSURANCE